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MINISTRY OF FINANCE
(Department of Revenue & Company Law)

NOTIFICATION

New Delhi, the 29th June, 1964

S.O. 2274.—In exercise of the powers conferred by sub-rule (2) of rule 126B and rules 126T and 126TT of the Defence of India Rules, 1962, the Administrator hereby issues the following directions to regulate the manufacture of liquid gold, namely:—

DIRECTIONS FOR MANUFACTURE OF LIQUID GOLD

1. **Permission to manufacture liquid gold.**—No person shall manufacture liquid gold unless he is authorised to do so by the Administrator.

2. **Application for authorisation.**—(1) Every person who intends to manufacture liquid gold shall submit an application in Form I specified in the Annexure to these directions (hereinafter referred to as the Annexure) through the Superintendent of Central Excise concerned, to the Deputy Secretary, Regional Office of the Gold Control Administrator, Bombay (hereinafter referred to as the Deputy Secretary) for an authorisation.

(2) Every application other than an application made by a co-operative society shall be accompanied by treasury challan evidencing payment of a fee of Rs. 25/- into a Government treasury under the head "L II—other fees, fines and forfeitures".

3. **Grant of authorisation.**—On receipt of an application, the Deputy Secretary shall if he is satisfied that the applicant is a bonafide manufacturer engaged in manufacturing liquid gold and that the premises mentioned in the application is so constructed or is so altered as to facilitate supervision of the manufacturing process of liquid gold by an officer of Central Excise Department empowered in this behalf by an officer of that Department not below the rank of a Superintendent (hereinafter referred to as the Supervising Officer), grant an authorisation in Form II specified in the Annexure permitting the applicant to manufacture liquid gold subject to the provisions contained in Part XIIA of the Defence of India Rules, 1962, and the amendments issued thereto and the orders issued thereunder and these directions and the conditions specified in the authorisation itself.

4. **Duration of an authorisation.**—An authorisation granted under paragraph 3 shall cease to be valid at the end of the quarter during which it was issued.

Explanation.—For the purposes of these directions 'quarter' means the period of three months commencing on the 1st day of January, the 1st day of April, the 1st day of July or the 1st day of October in each year.

5. **Manufacturer to enter into bond for complying with the terms of authorisation etc.**—Every manufacturer shall on the grant of an authorisation enter into a bond in Form III specified in the Annexure with such surety or security as may be specified by the Deputy Secretary.

6. Gold to be utilised for manufacture of liquid gold only.—No part of the gold obtained by a manufacturer shall be utilised for any purpose other than for the manufacture of liquid gold.

7. Storage of gold.—Gold obtained by a manufacturer shall be stored only in the place specified for that purpose in his premises (mentioned in the application) under the supervision of the Supervising Officer.

8. Supervision of the manufacturing process, etc.—(1) The manufacturing process shall be carried on only under the supervision of the Supervising Officer in the premises mentioned in the application of the manufacturer.

(2) The liquid gold obtained from the manufacturing process shall be stored in the presence of the Supervising Officer.

9. Cost of supervision to be borne by the manufacturer.—The cost of supervising the process, which will be decided by the Collector of Central Excise in each case, shall be borne by the manufacturer.

10. Intimation of the day and time of work in the premises.—The manufacturer shall intimate in writing to the Supervising Officer the days of the week and the hours in such days during which the manufacturing process will ordinarily be carried on:

Provided that any proposal to make any change therein shall likewise be intimated seven days before it is given effect to.

11. Time-limit of manufacturing process.—(1) Every manufacturer shall complete the process of manufacturing liquid gold including the storage of such liquid gold in bottle or bottles within ten days of obtaining gold, or within such extended period of time as may be allowed to him in writing by the Supervising Officer.

(2) To every bottle, there shall be affixed a label containing particulars set out in Form IV specified in the Annexure.

12. Sale.—(1) Every sale of liquid gold by a manufacturer shall be covered by a sale note in duplicate.

(2) The sale note shall be in Form V specified in the Annexure and shall be serially numbered for each calendar year.

13. Maintenance of Accounts etc.—Every manufacturer shall maintain stock accounts in Form VI and Form VII specified in the Annexure and shall, among other things, enter in such accounts daily the quantity of the gold utilised in the manufacture of liquid gold and the quantity of liquid gold obtained therefrom and sold and also keep the stock accounts at all times ready for inspection by the Supervising Officer.

14. Returns to be submitted.—At the end of every quarter, every manufacturer shall submit a return in Form VIII specified in the Annexure.

15. Cancellation of permit.—The Deputy Secretary may cancel an authorisation granted to a manufacturer, if—

(a) he has ceased to carry on the business of manufacturing liquid gold; or

(b) there is any breach of any of the provisions of Part XIIA of the Defence of India Rules, 1962, these directions or the conditions subject to which the authorisation has been granted:

Provided that no order shall be passed unless the manufacturer has been given a reasonable opportunity of being heard:

Provided further that such cancellation shall not bar such other action as may be taken against him under the Defence of India Rules, 1962.

16. Appeal.—(1) An appeal shall lie from every order of the Deputy Secretary rejecting an application for grant of an authorisation or cancelling an authorisation to the Administrator.

(2) Every such appeal shall be made within thirty days from the date of communication of the order.

(3) The Administrator may, after giving an opportunity to the appellant to be heard, if he so desires, and making such enquiry as may be necessary, pass such orders as the Administrator thinks fit, confirming, modifying or annulling the order appealed against.

17. Date of coming into force.—These directions shall come into force on and from the first day of July, 1964.

ANNEXURE
FORM I

Range :
Circle :
Division :
Collectorate :
State :

APPLICATION FOR AUTHORISATION FOR THE MANUFACTURE OF LIQUID GOLD

(See paragraph 2 of the Directions for manufacture of Liquid gold)

(Delete the letters and words not applicable)

To

The Deputy Secretary,
Regional Office of the Gold Control Administrator,
Bombay.

Sir,

I/We (son of) residing at
..... taluka Dist. request that I/we
may be granted an authorisation to manufacture liquid gold and to purchase.....
..... grammes (.....) of gold of
..... in words
..... purity/ fineness to be stored by me/us at
..... and to be used by me/us in the manufacture of liquid
gold at my/our premises at during the quarter
ending

2. I/We hereby declare that the gold will be used only for the *manufacture*
of liquid gold in the manner set out in the Schedule appended hereto and will not
be put to any other use except with your prior approval.

3. I/We hereby declare that grammes (.....
.....) of gold of purity/fineness was actually con-
sumed by me/us during the years 1960, 1961 and 1962 for the manufacture of
the aforesaid commodity.

4. I/we agree to abide by the provisions contained in Part XIIA of the Defence
of India Rules, 1962, and the amendments issued thereto and any orders issued
thereunder and the Directions for manufacture of liquid gold and comply with
the conditions specified in the authorisation.

5. I/We hereby declare that authorisation (permit) No dated
..... issued by the..... for the purchase of grammes of
gold of purity/ fineness was last granted to me/us and
gms. of gold obtained on that authorisation (permit) is/are likely to be in balance
at the commencement of the quarter ending

6. I/We have paid the prescribed fees of Rs. (Rupees
.....) in the Government treasury/Reserve Bank at
..... under chalan No. dated

7. I/We hereby declare that no authorisation (permit) or licence previously
granted to me/us under the Defence of India Rules, 1962, or any orders made
thereunder has been revoked or suspended or in the case of licence, failed to be re-
newed owing to a breach of the aforesaid Rules.

8. I/We hereby declare that to the best of my/our knowledge and belief the
information furnished herein is true and complete.

9. I/We enclose specimen/s of labels in quadruplicate to be affixed to our
products.

Place:

Date:

Signature(s) of the applicant(s)

SCHEDULE

	Distinguishing letters or particular letter and No. of each.	Detailed description of each	Purpose of each
I.	i)	Brief description (with boundaries) of the premises intended to be used for the manufacture of liquid gold.	
	ii)	Description of each main division or sub-division of manufactory.	
	iii)	Store room and other place of storage.	
2.	Actual consumption of gold in the years 1960, 1961 and 1962.		
Year			
1960			
1961			
1962			
3.	Estimated output of liquid gold during the quarter.....		
4.	Manner of manufacture and percentage of gold content in each end product.		
5.	Purpose to which manufactured product is applied.		
6.	Remarks.		

FORM II

REGIONAL OFFICE OF THE GOLD CONTROL ADMINISTRATOR, GOVERNMENT OF INDIA,
MINISTRY OF FINANCE, (DEPARTMENT OF REVENUE AND COMPANY LAW)

Authorisation No.

Date of Issue:

Authorisation for manufacture of liquid gold and for the purchase of gold for the purpose.

(See paragraph 3 of the Directions for manufacture of liquid gold).

Shri/Messrs. of having undertaken to comply with the provisions of Part XIA of the Defence of India Rules, 1962, and any orders issued thereunder and the directions for the manufacture of liquid gold and the conditions specified in the authorisation and having paid the prescribed fee is/are hereby authorised to manufacture liquid gold and to purchase and acquire grammes (..... grammes) of primary gold of 990 and above purity from the State Bank of India Branch.

This authorisation is issued for the quarter ending..... subject also to the conditions specified below:—

1. The authorisation shall be valid only for the period specified above.
2. The gold shall be utilised only for the specific purpose of manufacturing liquid gold in the premises mentioned by the manufacturer in his application in Form I.

Issued by me this..... day of..... Nineteen Hundred and

Particulars of Purchase

Sl. No.	Date of purchase	Denomination	Pieces	Quantity	Quantity remaining to be purchased acquired under the authorisation	Signature of S. B. I. Officer
1	2	3	4	5	6	7

FORM III

BOND (WITH SECURITY) TO BE ENTERED INTO BY A MANUFACTURER OF LIQUID GOLD FOR COMPLYING WITH THE TERMS OF THE AUTHORISATION.

(See paragraph 5 of the Directions for manufacture of liquid gold)

(Delete the letters and words not applicable)

I/We..... of [hereinafter called the obligor(s)] am/are jointly and severally bound to the President in the sum of rupees to be paid to the President for which payment I/we jointly and severally bind myself/ourselves and my/our legal representatives.

The above bounden obligor(s) having been permitted by the Deputy Secretary, Regional Office of the Gold Control Administrator (hereinafter called the Deputy Secretary) to manufacture liquid gold and to purchase..... grammes of gold during the quarter ending..... for use in the premises at for the manufacture of liquid gold in the manner specified in his/their application No..... dated.....

Whereas the Deputy Secretary has required the obligor(s) to deposit as guarantee for the amount of this bond the sum of rupees in cash the securities as hereinafter mentioned of total face value of Rs..... endorsed in favour of the Superintendent of Central Excise..... and whereas the obligor(s) has/have furnished such guarantee by depositing with the cash/securities as aforementioned,

The condition of this bond is that if the obligor(s) shall not make any change in the nature or manner of manufacture specified in his/their application or use the gold for any purpose other than that stated in the application without the prior approval of the Deputy Secretary;

And shall observe the provisions of the Defence of India Rules, 1962, and all such amendments thereto as may be issued from time to time and any orders issued thereunder and the directions for manufacture of liquid gold and the conditions specified in the authorisation;

This obligation shall be void.

Otherwise and on breach or failure in the performance of any part of this condition the same shall be in full force.

And the President shall, at his option, be competent to recover all dues and charges resulting from action for breach of the condition, either from the amount of guarantee deposit or by enforcing his rights under the above written bond or by both.

I/We declare that this bond is given under the orders of the Central Government for the performance of an act in which the public are interested.

Place:

Date:

Signature(s) of obligor(s)

Witness (1)
(2)

Address (1)
Address (2)

Occupation (1)
Occupation (2)

Accepted by me this

day of 19
..... of Central Excise.

FORM III

BOND (WITH SURETY) TO BE ENTERED INTO BY A MANUFACTURER OF LIQUID GOLD FOR COMPLYING WITH THE TERMS OF THE AUTHORISATION.

(See paragraph 5 of the Directions for manufacture of liquid gold)

I/We of [hereinafter called the obligor(s)] and of (hereinafter called the surety) are jointly and severally bound to the President in the sum of rupees to be paid to the President for which payment we jointly and severally bind ourselves and our legal representatives.

The above bounden obligor(s) having been permitted by the Deputy Secretary, Regional Office of the Gold Control Administrator (hereinafter called the Deputy Secretary) to manufacture liquid gold and to purchase..... grammes

of gold during the quarter ending.....for use in the permises at
..... for the manufacture of liquid gold in the manner specified in his/their
application No.dated.....,

The condition of this bond is that if the obligor(s) shall not make any change in the nature or manner of manufacture specified in his/their application or use the gold for any purpose other than that stated in the application without the prior approval of the Deputy Secretary;

And shall observe the provisions of the Defence of India Rules, 1962, and all such amendments thereto as may be issued from time to time and any orders issued thereunder and the directions for manufacture of liquid gold and the conditions specified in the authorisation;

This obligation shall be void.

Otherwise and on breach or failure in the performance of any part of this condition the same shall be in full force.

I/We declare that this bond is given under the orders of the Central Government for the performance of an act in which the public are interested.

Place:

Date:

Signature(s) of obligor(s)

Witness (1)
(2)

Address (1)
Address (2)

Occupation (1)
Occupation (2)

Signature of Surety.

Place:

Date:

Witness (1)
(2)

Address (1)
Address (2)

Occupation (1)
Occupation (2)

Accepted by me this

day of

19

..... of Central Excise.

FORM IV

PARTICULARS TO BE SHOWN ON THE LABEL OF EACH BOTTLE OF LIQUID GOLD.

[See paragraph 11(2) of the Directions for manufacture of liquid gold].

1. Date of manufacture.
2. Batch number of manufacture.
3. Brand name of product.
4. Percentage of gold in the product.
5. Name of manufacturer or his trade mark.

FORM V

FORM OF SALE-NOTE TO BE USED BY A MANUFACTURER OF LIQUID GOLD TO COVER EVERY SALE OF LIQUID GOLD.

[See paragraph 12(2) of the Directions for manufacture of liquid gold].

The sale-note shall be in duplicate and serially numbered, new series of numbers being used for each calendar year. Books containing blank sale notes shall be presented to the Supervising Officer for affixing his initials or stamp on each sale-note before the books are brought into use. The duplicate shall be retained by the manufacturer and the original given to the buyer.

2. Each sale-note shall contain at least the following particulars:—

- (i) Name and address of the manufacturer of liquid gold.
- (ii) Brand of liquid gold.
- (iii) Quantity sold.
- (iv) Price charged.
- (v) Name and address of the buyer.

Signature of manufacturer

FORM VI

STOCK ACCOUNT OF RECEIPTS OF GOLD

(See paragraph 13 of the Directions for manufacture of liquid gold)

Name and address of the manufacturer of liquid gold

Date of receipt of gold	Authorisation No. and date	Name and address of dealer/Bank from whom gold is purchased	Licence No. of dealer/Bank from whom gold is purchased	Sale/purchase Note Number and date
1	2	3	4	5

Quantity purchased			Quantity issued for manufacture of liquid gold				
Description of gold	Weight in grammes	Purity	Date	Batch No.	Description of gold	Weight in grammes	Purity
6	7	8	9	10	11	12	13

Balance of gold in stock			Remarks
Description of gold	Weight in grammes	Purity	
14	15	16	17

NOTE :—The description of slabs of gold purchased should indicate the denomination of the slab or slabs purchased and issued for manufacture and their purity expressed in terms of carats (100 per cent purity being 24 carats) or in fineness per mille

FORM VII

STOCK ACCOUNT OF MANUFACTURE OF LIQUID GOLD

(See paragraph 13 of the Directions for manufacture of liquid gold)

Name and address of the manufacturer of liquid gold

Date of issue of gold for manufacture as entered in Form VI	Batch No.	Quantity of gold issued for manufacture of liquid gold		
		Description	Weight in grammes	Purity
1	2	3	4	5

Quantity of liquid gold obtained (to be shown in ozs., grms., or other unit of measure used)					
Date of manufacture	Batch No.	No. of units manufactured showing details of different size of bottles, e.g., 1 oz., 2 oz., 4 oz., etc.	Total weight of Product manufactured in batch	Quantity of residuary or Intermediate product obtained in manufacture	Quantity of gold lost in process of manufacture in terms of grammes or kilogrammes
6	7	8	9	10	11

Quantity sold		Balance of liquid gold		Remarks
Sale Note No. and Date	No. of bottles sold and quantity of liquid gold in ozs. or other units of sale	No. of Bottles	Quantity of liquid gold in terms of ozs. or other units of computation	
12		13		14

NOTES:—

- (1) The purity of each slab of gold issued for manufacture should be expressed in terms of carats (100%) being 24 carats) or in fineness per mille.
- (2) Where gold recovered from residues of manufacture is re-issued for manufacture of liquid gold, the quantity of residues re-issued in manufacture should be entered in columns 3, 4, 5 and 12. Where the process of such utilisation is continuous and separate recoveries of residuary or intermediate products are not accounted for against issues of gold for manufacture, the quantity of residuary or intermediate product finally obtained after a complete run or cycle of manufacture should be recorded in column 10 with the percentage of gold recoverable in the product in col. 14.

FROM VIII

QUARTERLY RETURN TO BE SUBMITTED BY A MANUFACTURER OF LIQUID GOLD

(See paragraph 14 of the Directions for manufacture of liquid gold)

Name and address of manufacturer

No. and date of authorisation	Quantity of gold purchased during the quarter	Description of liquid gold manufactured	Quantity of liquid gold manufactured	Quantity of liquid gold sold	Quantity of liquid gold remaining in balance	Remarks
1	2	3	4	5	6	7

Signature of manufacturer

[No. F. 13/5/64-GCII.]

B. D. PANDE. Administrator.

